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ARIZONA LABOR MARKET INFORMATION NEWSLETTER

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Our readers tell us that the "New Developments" section of the Arizona Labor Market Newsletter is a popular, widely read feature. In this special issue, we reprint the "New Developments" from 1984.

The original sources for this information are many but we rely heavily upon newspapers and economic periodicals. A development which was not reported in these sources might have escaped our attention. Space requirements, too, often limit our ability to include all the information that deserves mention. Nonetheless, it is hoped that this will serve as a convenient summary of many of the significant developments pertaining to the Arizona labor force and economy during 1984.

The entries have been organized, by month, under large general headings. Only those entries announcing conferences or workshops have been deleted.

1984 NEW DEVELOPMENTS

CONSTRUCTION

January - Construction has begun on Arrowhead Ranch, a $1 billion master-planned community expected to house 51,000 residents. Arrowhead Ranch is a 500-acre tract located in Glendale. Developed by the Paloma Corp., a Richardson, Texas, subsidiary of Hunt-Stephens Investments, the project will take 10 years and will include five school and park sites, a convention-resort hotel and a regional shopping center.

The first phase of the $175 million Phoenix Gateway Center has begun. The office, commercial, and hotel complex is being built on the northwest corner of 44th and East Van Buren streets. Total size is 1.5 million square feet.

Planning for the second phase of the project is also underway. The proposed $150 million development will be built on the northeastern corner of the same intersection and will contain the same mix of buildings that make up the Gateway Center. Total size will be smaller, containing 1 million square feet.

Construction of a multi-million dollar Honda motorcycle dealership owned by Coulter Cadillac begins this month in Chandler. The store is expected to open in July.

The first phase of development has begun on Williams Centre, a $500 million, 110 acre commercial office and retail complex in Tucson. The completed project will contain 2.75 million square feet.

Construction has begun on the first of two midrise office buildings to be built on

Table of Contents

Construction. 1
Manufacturing 4
Mining. 10
Lumber. 12
Retail Trade. 12
Automobiles 13
Wholesale Trade 14
Transportation, Communications and Public Utilities. 14
Printing. 15
Photo Finishing 15
Finance, Insurance and Real Estate. . .15
Health Services 16
Advertising 16
Hotels. 16
Restaurants 17
"Best Employers". 17
Inmates Hired 17
Newsletter Started. 17
Tribal Developments 18
Government. 18
Court Decisions 19
Unemployment Insurance. 19
Employer/Employee Assistance. 19
Education and Training. 20
Closures and Layoffs. 22
Unions. 25
Strike Update 26

JoAnn H. Wilson, editor

Central Avenue in Phoenix. The $42.5 million, 12-story structure is expected to be completed in about one year. The second phase will include a 15-story office building. No construction date has been set for that phase.

February - A 36.7-acre site at the main entrance to Tucson International Airport has been purchased for $5.6 million by Bay Colony Development Co. of Phoenix and Tucson. The land will be the site for the $25 million, 500,000 square-foot Bay Colony Technology Center, an industrial development to accommodate high technology companies. Bay Colony Development Co. is a subsidiary of Bay Financial Corp., Boston. The company opened its first regional office in Phoenix in June.

March - A project to build 580 residential units atop Flagstaff's McMillan Mesa has been proposed by a California group. Plans for the 134-acre development also include commercial and recreation areas.

Planning for AgroCenter Arizona, a $25 million project combining urban development with agriculture, is under way in Eloy. When eventually completed, the project will feature urban residences, a county inn and recreational attractions in a 1,000-acre core area. Surrounding the core area will be an arid lands research project. About 4,000 acres will be divided into 80-acre "farmettes."

Construction has begun on Star Distribution Corp.'s $1.7 million distribution center at Williams Field Road Business Park in Chandler. The 70,000 square-foot structure is the first building in the 65-acre Chandler park.

Plans have been announced for a 46-story, $47 million apartment building in downtown Phoenix. The 694-foot high-rise, planned for the southeastern corner of Fillmore Street and Second Avenue, would be the city's tallest building and the first major residential construction project in the downtown area in many years. The developer is seeking $42.4 million in tax-exempt bonds to help finance the project.

April - Business construction did not enjoy the same upsurge that residential housing did last year, but judging by figures for January, 1984 may be a better year. According to McGraw-Hill Information Systems Co., the value of business construction projects in Tucson during 1983 was $175.9 million, down about 25 percent from 1982's $226 million. In Phoenix, the amount invested was $680.8 million, down 8 percent from 1982's $737 million.

However, in January 1984, the value of business construction projects in Tucson was $14.7 million, up 24 percent over January 1983, and in Phoenix, business construction was valued at $64 million, up 44 percent over the preceding January.

June - Construction will begin this month on the first phase of a $17 million office complex at Cabot, Cabot & Forbes' Civic Center Business Park, between Seventh and 11th streets from Jefferson to Jackson streets in Phoenix. The complex will con-

sist of 148,000 square feet of leasable space.

Griffiths Construction, Inc., a Casa Grande contracting firm formed last year, has established a Phoenix headquarters. A staff of 13 will work at the new office.

Construction began last month on the $30 million second phase of the Scottsdale Financial Center office complex. The 151,000 square-foot structure will be completed in June 1985. The project will emphasize financial institutions, stock and bond brokers and other financially oriented tenants.

July - Freezer Services, Inc. plans to build a 200,000 square-foot service warehouse facility in west Phoenix. Phase I is scheduled for completion by December 1984 and will provide blast freezing, consolidation and distribution services.

August - Preliminary work has begun on a $20 million residential-commerical development project in south Tempe that will include a major shopping mall. The 180-acre tract to be developed is located at 56th Street and Elliot Road, near the Interstate 10 interchange.

A proposed 29-to 31-story resort hotel connected to a mountaintop restaurant by a tram system has received tentative approval from the Glendale City Council. The hotel and restaurant, expected to open January 1, 1987, are part of a Richardson, Texas, firm's plans for a development at Arrowhead Ranch.

Plans have been announced to build a 250,000-square-foot development in downtown Tucson. The $150 million series of buildings will be the city's largest office complex. Construction is expected to begin next spring and take five years.

Goodyear Tire and Rubber Co. and Westinghouse Communities Inc. are considering joint development of a premier community on 12,000 acres near Litchfield Park. The companies are conducting a feasibility study to develop specific plans for the community. The study is expected to be completed by the end of 1984 with first construction two to three years away. Neither company has provided more specifics about the magnitude or cost of the project.

A $2.7 million Biltmore office of the Valley National Bank will be completed in early 1985. The three-story structure is approximately 12,000 square feet.

September - Escon Builders Inc. has begun construction on a Tucson shopping mall that will be used exclusively by factory outlet stores. Partial funding for the $7.5 million mall came from the City of South Tucson under a Urban Development Action Grant, the first UDAG project ever funded by South Tucson. The 150,000-square-foot facility can accommodate up to 35 factory outlet stores, and is expected to provide employment for about 360 employees. Completion is expected early next year.

Construction has begun in Scottsdale on a $19 million high-technology industrial

park, the first master-planned high-technology business facility in Scottsdale. Already scheduled to move into the facility when it is completed is Kroy, Inc., a Scottsdale-based firm that will relocate its national new-product research and development center there.

October - Construction has begun on the $100 million Brookview Country Club, hotel and residential development at Bell Road and 115th Avenue in Surprise. The 370-acre development will produce about 150 permanent jobs, plus part-time employment, and will increase the town's tax base by 30 to 40 percent when it is completed in four years.

Construction has begun on the first phase of a $100 million multiuse building complex in Tempe. The Southwest Technology Center on the southwestern corner of Rural Road and Lakeshore Drive will feature three office towers, a hotel and commercial facilities when fully developed.

November - Construction has begun on a $12 million industrial park near Interstate 10 at Ahwatukee. Foothills Tech Plaza will consist of 132,000-square-foot and 40,000-square-foot buildings on 12 acres. The buildings are designed to fit the utility and space requirements of a large high-tech company. The project developer is considering a similar venture in Tucson.

A contract to construct a $7.6 million combat aircraft ordinance loading area at the Marine Corps Air Station in Yuma has been awarded to Maya Construction Co. of Tucson. The project will require one year to complete and could involve up to 150 local workers during construction.

AT&T Communications has announced plans to build an $18 million data-processing center adjacent to the company's existing center on University Drive in Mesa. The expansion, scheduled for completion in summer 1985, will have about 150 employees.

Construction is under way on a 53,000-square-foot shopping center in Tempe. The $550,000 multiuse center, to be called Reflections Tempe, will provide space for retail-specialty shops, restaurants and offices. It is expected to employ about 100 people.

The first phase of a $25 million, high-technology business park in Scottsdale is under construction. The project will have 11 buildings containing a total of about 220,000 square feet. The first phase, consisting of three buildings including one occupied by Motorola, will be ready for occupancy early next year.

MANUFACTURING

January - Liquid Air Corp. has announced plans to build a $14 million air-separation plant in Tucson. The plant, to be completed by 1985, will produce 260 tons of liquid gas a day with capacity to produce more if needed. It will employ 40 persons. Tucson is currently served by Liquid Air's Phoenix plant which makes 170 tons of gases a day. Since the new plant will be more efficient, the Phoenix plant may be mothballed.

A demorstration plant for researching a method of using clay in the production of aluminum will be built in Tucson by Atlantic Richfield Co. and Aluminum Co. of America. The plant will be used to develop technology for producing aluminum chloride from kaolin clay for use in a smelting process that produces aluminum. The new technology will produce a significant energy savings.

Plans call for construction of a demonstration plant at a cost of more than $10 million in 1986 or 1987. ARCO metals presently has 30 Tucson employees and 15 more permanent research and technical workers will be added.

February - Hughes Aircraft Co. will increase employment at its Tucson missile plant by 10 percent in 1984 and 10 percent in 1985, raising the work force to more than 7,200. Most of the growth expected in the next two years will be in production workers, especially those with trades and skills. Increased production of all missiles made by Hughes will account for the 1,200 new jobs. Hughes, the largest pri-

vate-sector employer in the Tucson area, currently employs about 6,000, a record employment that is up from 5,374 at the beginning of 1983.

The Gott Corp., makers of ice chests, water coolers and other plastic containers, has opened a distribution center and small manufacturing plant in Phoenix. The number of people hired to staff the new facility has not been announced but it was not expected to be large.

McDonnel Douglas Corp. has reached agreement to acquire Hughes Helicopters Inc. for $470 million. The military helicopter producer is based in Culver City, California, with a manufacturing plant in Mesa. The Hughes facility in Mesa now consists of five buildings totaling 532,000 square feet on a portion of a 200-acre site adjoining Falcon field. The plant eventually is to employ more than 4,000 people. According to a spokesman for Sperry, the most important portion of the sale is the electronic firm's aircraft radios. With the acquisition, Sperry is "trying to be a complete supplier" to the aviation industry.

Ponderosa Paper Products may be able to reopen its Flagstaff plant following a recent Superior Court ruling in favor of Ponderosa, which had asked that it not be bound by a 1972 court injunction barring the discharge of effluent into the Rio de Flag. Ponderosa, which manufactured paper products from recycled paper, closed in July following disputes over odor problems. The plant had laid off about 180 employees during the past year.

March - GTE Corp. has announced that it will move the world headquarters of its Communications Systems division to Phoenix from Stamford, Connecticut, and expand its research operations in the Valley. The move will involve relocating about 70 executives to Phoenix and hiring about 160 engineers and technical employees locally by the end of 1984.

The division to be relocated has 29,000 employees worldwide and makes and services systems and equipment for voice, data and video telecommunications. GTE presently employs 600 workers at its Network Systems division in Phoenix and 400 at its Microcircuits operation in Tempe. Both operations are part of the $2.5 billion division that is relocating.

Intel's Chandler plant expects to hire 600 to 800 workers, mostly in engineering and technical-professional fields, during the next 18 months as part of a major expansion of its Chandler operations. Much of the growth will be due to the firm's $35 million expansion, which includes transferring its components assembly test operations to Chandler from Intel's headquarters in Santa Clara, California. About 200 employees will transfer from Santa Clara to Chandler by June.

AiResearch Manufacturing Co. has leased a large building at Tucson International Airport and will have up to 500 employees in Tucson by the end of 1984. The firm, a division of the Garrett Corp., has announced that engineers, electronics assemblers, technicians, salesmen, purchasing agents and clerks will be hired this year. The company estimates that it will have 4,000 Tucson employees within a decade.

AiResearch plans to begin building its own plant in Northwest Tucson this spring. The company will manufacture electronic components for the aerospace industry.

April - Microelectronic Packaging Inc., a newly formed Scottsdale electronics and sales firm, has acquired a manufacturing plant in Singapore and now is considering opening a similar plant in the Valley. The firm has completed the purchase of Coors Ceramics Asia-Pacific Private Ltd., which manufactures ceramic products for the semiconductor industry, and is now looking for a building in the Valley so it can establish a plant in which to research, develop and manufacture other products for the electronics industry.

Talley Industries of Arizona Inc. dedicated its $4 million expansion last month. The new facility, called Plant 4, is located at the company's manufacturing complex in northeastern Mesa. By year's end, Plant 4 will have about 35 to 40 employees engaged

in the mixing, casting and curing of high energy, solid-propellant rocket motors used in small tactical missiles and ejection seats.

American Airlines has announced an order for 67 twin-engine McDonnell Douglas MD-80 jetlines--with options for 100 more--that could result in orders valued at more than $100 million for Valley firms. This figure includes more than $80 million to Sperry Flight Systems, about $17 million to the Garrett Turbine Engine Co. and $10 million to the Garrett Pneumatic Systems Division of the Garrett Corp.

Revco D. S. Inc. plans to build a $15 million facility in Glendale to manufacture human and veterinary injectable drugs. The new plant will house the operations of Carter-Glogau Laboratories Inc., a Revco subsidiary already in Glendale. Employment at the new 90,000-square-foot plant will be approximately 300 when the project is completed in mid-1985.

Motorola Inc. announced plans to move a 100-employee research lab from Mesa to Austin, Texas, as part of a consolidation of its operation in that state. The MOS Advanced Products Research and Development Laboratory, which has been in Mesa for 10 years, is being consolidated with MOS (Metal-Oxide Semiconductor) headquarters in Austin. According to a Motorola spokesman, the 100 employees are moving mainly because of a new 250,000 square-foot facility that was recently completed in Austin. No other moves away from the Valley are planned.

Austin was chosen last year over several sites (including Phoenix) for the headquarters of the Microelectronics and Computer Technology Corp., a consortium of major American electronics firms that includes Motorola.

May - Several major employers have recently announced plans to build or expand plants in Chandler. The Motorola Government Electronics Group in Scottsdale will begin construction later this year on a 325,000-square-foot facility to house the Communication Division Aerospace Operations. Approximately 1,500 employees, most from the Group's Scottsdale plant, will occupy the Phase I part of the structure scheduled for completion in early 1986.

Intel Corp. will build a $75 million automated-assembly plant in Chandler that will employ 800 new employees, including 600 to be hired locally. The 50,000-square-foot plant will be used to implant silicon wafers into semiconductors and will be the first of its kind in the U. S. This plant is in addition to a $35 million expansion into Chandler announced in January that will bring Intel's components-assembly and testing operations from the Santa Clara, California, headquarters.

Also increasing the size of its manufacturing operations in Chandler is Inertia Dynamics Corp., the Collinsville, Connecticut-based company which designs, engineers and manufactures a line of hand-held, gasoline-powered grass and weed trimmers. Employment, now at 200, is expected to increase to more than 300 during the company's peak production season.

Hamilton Aviation, a Tucson aircraft company, has won a contract with General Motors Corp. to retrofit Convair aircraft with a newly developed propeller-driven motor. These modifications will enable the company to increase its work force by 200 or more, the highest employment level the company has had in its 37 years of business.

Hyde Label, a California corporation, is relocating its regional manufacturing plant and warehouse to Phoenix. It will be the company's main plant in the Southwest. Hyde Labels makes pressure-sensitive labels.

Circuit Research Labs Inc. has moved to a new Tempe location as part of a general company expansion. The manufacturer of audio-transmission control systems will add 10 more employees for a total of 35. The move was made possible, according to company spokesmen, by a 40-percent second mortgage from the Office of Economic Planning and Development's Small Business Re-

vitalization program. Valley National Bank provided a 50-percent first mortgage and the company supplied 10 percent.

Lunn Manufacturing, a Phoenix furniture manufacturer, has begun work on a $3 million plant that will allow it to more than double the size of its operation and work force. Employment will increase to 250 to 300 from 125 when the plant is completed in the fall. The facility is being financed with $2.7 million in industrial-development bonds from Maricopa County.

Arizona's only anhydrous ammonia-fertilizer plant has resumed operations after a two-year shutdown. The Arizona Agrochemical Company plant in Chandler can produce about half of the state's yearly agricultural need for anhydrous ammonia, which is a basic source of nitrogen for crops. The plant closed in 1981 due to high natural-gas prices and cheap imports of anhydrous ammonia, putting about 40 people out of work. A recent decision by the Arizona Corporation Commission enabled the plant to purchase natural gas at a price sufficiently low to resume profitable operation. The cost of natural gas is about 75 percent of the cost of making anhydrous ammonia.

June - Environmental Air Products Inc. may increase its 1,000-member payroll in Tucson by about 200 after completion of a major expansion project scheduled to begin this fall. Environmental Air is a producer of commercial air systems. The $5 million project the company is planning is expected to be financed by $3 million from bond sales, $1.2 million from a city-approved Urban Development Action Grant, and $800,000 from a 1982 bond sale.

A New York-based electronics firm has announced plans to move a portion of its manufacturing facilities to Chandler, creating up to 100 new jobs. The company hopes to be operating by August and will initially employ about 25 workers. The firm, Haraeus Volkert Corp., produces metal lead frames, the small piece of metal to which computer chips are attached. The company plans to be a supplier to Intel Corp. and Motorola, both of which plan major expansions in the Chandler area.

Sundt Products Inc., a subsidiary of the Sundt Corp., is adding 55 workers -- more than doubling its Tucson work force -- to handle a contract to build 36 fiberglass pollution-control mechanisms for Dresser Industries' Fluid-Ionic Systems, in Phoenix. Most of the hirings have and will come from Sundt workers who had been laid off.

American Converters Division of American Hospital Supply Inc. is moving some of its manufacturing from Palm Springs, California, to Tucson. A few managers may transfer and the 50 employees are being given a chance to relocate. An unspecified number of workers will be hired by the company, based in Evanson, Illinois, to make entrance mats and hospital clothing.

ITT Corp. has formed a new division headquartered in Tempe that will manufacture and market the company's new Xtra personal computer. Manufacturing, product planning, research and development, and software development for the division will be located in San Jose, California. Sales organizations for the division, as well as its headquarters, are in Tempe.

Atlantic Richfield plans to build a Tucson manufacturing operation late this year that is to employ about 20 employees with chemical or engineering degrees. The plant would be the only manufacturing facility in the country to produce super-pure aluminas for application in the high-technology and electronic markets. Aluminas production is currently dominated by the foreign market, particularly by France and Japan. ARCO is anticipating a rapid penetration of 25 to 30 percent of that market, which is estimated at $10 million.

July - Tucson-based Burr-Brown Corp. has announced an agreement with Intelligent Instrumentation Inc. of Tucson to pursue the development of a broad line of hardware and software to capitalize on the growing power of personal computers and their increasing use in instrumentation systems for data acquisition, test, measurement and control. Burr-Brown will provide initial funding for the venture, referred to as I3. Also announced was the first new product of

the joint effort, the PCI-3000, a modular, flexible system of hardware and software which interfaces easily with personal and professional computers via standard communication protocols.

Steelco, a Southern California-based manufacturer, has begun operations in Casa Grande. The company produces frames for mobile homes, commercial office trailers, recreational vehicles and other types of equipment trailers. The company ultimately expects to hire 30 to 35 people. The majority of the frames that are manufactured in Casa Grande will be shipped to the Phoenix area.

Brush Wellman Inc., producers of ceramic products for high technology applications, is expanding its Tucson production facilities and plans to add 50 to 70 workers by January to its existing staff of 200. Officials of the Cleveland-based company are also considering adding a second additional building in three to four years with maximum employment eventually reaching 400 to 500.

Two wholly-owned subsidiaries of General Instruments located in Tucson -- RF Systems and Jerrold Electronics Corp. -- will be moving their operations to the North Tucson Business Park. The move will create positions for an additional 50 to 60 new employees, with expansion capabilities that will accommodate more than 200 additional employees.

August - The Navy has decided to seek a second manufacturer for the improved version of its Phoenix air-intercept missile, which had been an exclusive product of the Hughes Aircraft Co. plant at Tucson. Hughes has about 6,500 employees at the Tucson plant, with less than 10 percent of its efforts assigned to the Phoenix missile for the Navy. The company has said it is "continuing uninterupted production" of the missile and that it doesn't foresee any curtailment of activities at the Tucson plant or disruption of the workforce.

W. L. Gore & Associates has begun construction of its first facility at the Woody Mountain site in Flagstaff. The facility, to be completed the end of March, is the first of four buildings planned for construction. A second phase -- an industrial park -- also is planned to be situated on connecting state land.

Gore is one of the largest Flagstaff employers with more than 700 "associates" in the area. Medical, electronic, distillation and process development support divisions are presently divided among four owned and two leased facilities. The distillation division is slated for relocation to Florida.

September - Hughes Helicopters has announced a major expansion of its Mesa plant that will boost its Valley work force to 7,000 by 1990. Current employment is 1,400. The company will move almost all of its operations -- corporate headquarters, engineering, production of civil helicopters and science labs -- from Culver City, California, where the 50-year old firm has been based since 1942.

Gates Learjet Corp. will hire more than 180 workers in Tucson over the next several months as the company shifts preliminary assembly on its 20 and 30 series corporate jets from Wichita, Kansas, to Tucson. Until now, the work on the 20 and 30 series has been split between Tucson and Wichita. The new Tucson jobs will pay an average of $10 an hour, adding $4 million to the company's annual Tucson payroll. Gates plans to notify appropriate candidates from among more than 1,500 Tucson workers on furlough since 1982. Gradual outside hiring is to be delayed until at least mid-September.

W. L. Gore & Associates, Inc. is expanding its Electronic Products Division to Phoenix with a new facility at The Pointe at South Mountain. The new plant will be complete in January and will employ about 100 people. Gore has 29 plants throughout the world, including four in Flagstaff. The Phoenix site will be used to manufacture signal-transmission devices for the computer, aerospace, defense and satellite industries, as well as serve as the firm's sales-service support center for electronic-products division for the western third of the United States.

October - The Phoenix manufacturing plant for American Telephone and Telegraph Technologies plans to add 1,000 employees by next summer as it moves toward making all of AT&T's telephone cords and most of its copper communications cables. About 150 people laid off at other AT&T divisions in Arizona already have been hired. A company spokesman has stated that the Phoenix plant already has 5,000 applications from which it will hire.

A subsidiary of a Racine, Wisconsin, company has announced plans to build a new plant at Rio Rico to make touch-key pads used in a wide range of electronic business and consumer equipment. Moxness Products, a subsidiary of Versa-Technologies, said it plans to employ 30 to 35 people when the plant is completed late this year.

Bayliner Marine Corp., an Arlington, Washington, firm with 10 manufacturing plants nationwide, hopes to be in production by January at a new plant at the Kingman Industrial Park. Bayliner plans to build a 30,000-to 40,000-square-foot facility that initially will employ 35 people in the manufacture of fiberglass recreational boats. The plant will eventually employ at least 100.

Employee turnover in Arizona's electronics and information technology companies dipped below the national average in 1983 according to a study by the American Electronics Association. AEA member companies have reported turnover data showing Arizona's rate at 19.3 percent, compared to the national average of 21.4 percent. The San Francisco Bay area, including the Silicon Valley, reported the highest turnover at 27.8 percent. Midwest companies reported the lowest rate at 10.4 percent.

November - A $19 million plant will be built for the Sperry Aerospace and Marine Group at the Arrowhead Ranch development in Glendale. The 225,000 square-foot facility is being constructed for the group's recently formed space systems division. Company spokesmen expect Sperry's Valley workforce to increase from the current 5,500 to between 8,000 and 8,500 by 1988. The payroll and local corporate purchases at that time should total between $400 million and $500 million annually. Governor Babbitt, present at the company announcement, said the Sperry facility is the "most important kind of test center for the Valley and the state" because it "involves not just assembly, but it is a high-tech engineer-oriented research firm."

December - Sperry Corp. has announced plans to close its aircraft drone conversion operations at the Phoenix-Litchfield Airport in June of 1985. Sperry employs about 60 people at the plant where obsolete military aircraft are coverted for use as remotely piloted target drones. The company has said it will try to place the employees at its other Phoenix-area operations.

AiResearch Manufacturing Co. has begun construction in Tucson of a $25 million plant for electronics research, development and manufacture. While employment is expected to reach 4,000 by 1993, present employment at the company's two leased locations is about 380. The company plans to recommence hiring in January and anticipates that employees will total about 800 by the end of next year. According to Frank Washburn, industrial-relations director of the firm's electronics systems division, AiResearch is looking mainly for electronics engineers, computer experts and technicians and employees for "support activities like accounting and payroll."

MINING

January - A two-year, $70 million construction program at Inspiration Consolidated Copper Co.'s smelter in Miami will begin this summer with completion scheduled for 1986. Inspiration Consolidated has recently agreed in principle to become a 50 percent partner in the smelter with Amoco Minerals Co. of Englewood, Colorado. Inspiration, based in Phoenix, will retain primary responsibility for operations. The construction program is designed principally to meet Environmental Protection Agency clean-air standards and to increase capacity.

February - The Cyprus-Bagdad Copper Co. furloughed 150 of its 875 workers in mid-January and reduced production 25 percent. This is the company's first layoff since 1938.

March - The Cyprus Bagdad Copper Mine closed indefinitely on February 11th, idling 550 workers. About 150 employees will continue to work at the mine, producing copper cathodes and providing security and maintenance. The shutdown puts employment of copper miners in Arizona at 12,050, lower than it has been in 25, years excluding periods when many workers in the industry were on strike.

April - Inspiration Copper Company has laid off 95 workers at its Globe smelter operation and is considering additional layoffs later because of the poor copper market and low price. Sixty of the workers were released when the company decided to go from three converters to two because of the lack of concentrates.

The Cypress Bagdad Copper Company's closure on February 11th will result in an estimated annual loss to Prescott of $157,860 in sales tax revenues, or 2.9 percent of the city's annual revenues. Yavapai County officials are unable to predict losses until May, when the Arizona Department of Revenue determines the mine's property tax status. However, Yavapai County Manager Jim Holst estimates that in the worst case, the county could lose approximately $500,000 between severance and property taxes, or three to four percent of the county's general fund.

May - Asarco has closed its Sacaton open-pit mine near Casa Grande, resulting in the layoff of about 190 employees. According to company spokesmen, the closing is due to "exhaustion of copper-ore reserves mineable by open-pit methods." The Sacaton open pit began production in 1974. The company had planned to shift the Sacaton operation to a nearby ore body and mine it by underground methods after the open pit was abandoned but underground preparation was suspended in 1981 because of low copper prices.

Meanwhile, Asarco has permanently recalled about 70 workers at its Mission mine complex 30 miles south of Tucson. The move affected heavy equipment operators and mechanics who were recalled to strip the gravel and rock overlying the ore in order to maintain the normal volume of mined ore delivered to the Mission mill for processing. The recall brought employment of hourly workers at the Mission unit to about 420. Two years ago, before layoffs began, Asarco had 1,130 workers.

June - Pinto Valley Copper Corp. has resumed operations at its open-pit copper mine in Miami, putting about 375 workers back to work. Although copper prices have remained at depressed levels, the company said an agreement with its unions to cut hourly wages by $2 for six months will allow it to restart. The mine had been closed since July 1982, when about 450 people were laid off. The only portions of the operation that have remained in use are two leaching units.

July - The Phelps Dodge Corp. reopened its Ajo smelter with a work force of 115, including 70 to 75 new hires. A scheduled 14-week maintenance beginning July 1 of the Phelps Dodge smelter in Hidalgo, New Mexico, was cited by company officials as one reason for bringing the Ajo smelter back into operation. The Ajo smelter, which recently underwent more than $1 million in repairs to meet Environmental Protection

Agency standards, is expected to remain open after the Hidalgo smelter comes back on line.

Three major copper producers have asked unions leaders to reopen labor agreements. Kennecott, the nation's largest copper producer, is seeking to renegotiate a three-year agreement reached in April 1983. The agreement affects 600 workers at the Ray open-pit mine near Kearny as well as workers in four other states. The company has announced plans to lay off 2,000 of its 4,400 employees in the Utah Copper Division by July 1 unless unions agree to drastic cost-cutting concessions. Apparently, workers at the Ray open-pit mine are not affected.

Union concessions are also being sought by Magma Copper Co., which employs about 2,850 hourly workers at its underground mine in San Manuel, and by Inspiration Consolidated Copper Co., which has about 950 hourly employees.

September - Anamax Mining Co. has proposed virtually cutting in half the pay of striking workers at its Twin Buttes Mine as part of a settlement offer. The offer calls for an hourly pay cut of $5 to $6 an hour to end the year-long strike by 380 workers. The workers used to receive an average of $12.50 an hour.

Work at the Tombstone Exploration Inc.'s gold and silver mines has ceased and approximately 100 employees have been laid off. It is unknown how long the plant will remain closed.

Phelps Dodge Corp. has laid off 500 hourly workers from its New Cornelia Branch in Ajo. The company will continue to operate the Ajo smelter and does not plan any shutdowns in Morenci, Bisbee, Douglas, or Tyrone and Hidalgo, New Mexico. About 380 employees, about 180 of whom are hourly workers, are to continue working at Ajo. Aside from the smelter, employees will work at maintenance shops and the power plant.

Asarco Inc. has suspended open-pit mining at its Silver Bell operation north of Tucson, ending work for about 170 of 243 employees. Company spokesmen point to copper prices remaining "at levels near the lowest in real terms in this century" as the reason for the layoffs. In the meantime, Silver Bell's leaching operations, handled by a handful of production workers, will continue.

October - Another 100 employees at Phelps Dodge Corp.'s new Cornelia branch in Ajo have been laid off, raising to about 600 the number of workers furloughed there in less than three weeks. The latest layoffs included 80 salaried employees, many of them managers and supervisors. A company spokesman said the layoffs are temporary but for an indefinite period.

At the Phelps Dodge silica flux and silver mine between Safford and Duncan, the entire staff of 21 people has been laid off. Reopening the mine will depend on the price of silver, a company official said.

Anti-mine forces in Prescott have succeeded in getting the U. S. Forest Service to draw up a full environmental-impact statement on a land exchange that would provide the Phelps Dodge Corp. with a mill site southwest of town. The mine has been a focal point of controversy in Prescott since May, when the Forest Service said it was nearing agreement with Phelps Dodge on the land exchange.

The Reagan administration has rejected a recommendation by the International Trade Commission that controls be imposed on imports of lower-priced foreign copper. In 1983, Arizona was the largest producer of copper in the U. S., accounting for 67 percent of total output. Other large copper-producing states are Utah, with 14 percent of the nation's output, followed by New Mexico, with 10 percent.

November - The Cyprus-Bagdad Copper Co. has contacted about 350 laid-off miners regarding a possible reopening of the Cyprus-Bagdad copper mine. About 625 miners were laid off in January and February due to the declining price of copper. Cyprus-Bagdad is a non-union operation, so there will be no labor negotiations.

Duval Corp. has announced plans to implement a 15 percent wage cut for all hourly and salaried employees at its Sierrita copper mine near Tucson. An overtime program, mandatory for most workers, will allow workers to maintain their income while increasing production at the mine. Employment at the mine is about 1,000, down from its peak of 2,500 three years ago.

December - Continuing depression in the copper industry forced the layoff of 120 workers in October at Asarco's Mission Mine at Sahaurita. In August, Asarco laid off about 170 workers at its Silver Bell open pit 40 miles northwest of Tucson but staffing at the Mission Mine, the company's lowest-cost producer, remained untouched until October. Most of those laid off were hourly employees. Still working at the mine are 286 hourly and 132 salaried employees.

Anamax Mining Co. has ordered a major reorganization of its Twin Buttes Mine near Tucson that will result in 187 salaried workers being laid off and 100 striking hourly workers being recalled under an imposed contract that will cut wages by $4.50 an hour. The layoffs, to be complete by early next year, are being staggered because the employees are working on projects that will conclude on different dates. When the reorganization is finished, Twin Buttes is to have 100 hourly workers and 88 on salaries. In 1981, Twin Buttes had a work force of 1,100 hourly and 400 salaried workers and produced 260 million pounds of copper. Production at the mine in the past year has been 54 million pounds, and will drop to 30 million pounds next year.

LUMBER

March - The Evergreen Lumber Co. has begun operations on a year-round basis at its Williams facility due to the addition of lumber-drying equipment which permits the plant to remain open instead of routinely closing during the winter. The modifications will increase output from the current 12 million board-feet per year to about 30 million. When a second shift is added early this summer, the company expects to hire an additional 55 employees.

RETAIL TRADE

January - Target Stores will hire 1,300 part-time and 200 temporary employees for five stores that it plans to open around the Phoenix area in February. Another 200 management jobs will be created, for a total of 1,700 jobs. Target is the largest division of the Minneapolis-based Dayton Hudson Corp. It operates 205 discount department stores in 22 stores.

Yuma's J. M. McDonald store has reopened as Babbitts Department Store. As reported in the November Labor Market Newsletter, some 70 employees had been affected by the fall

closure. After the purchase, Babbitts hired approximately 60 persons, most of them previous store employees.

The Phoenix-based Circle K Corp. has purchased 960 U-Totem Inc. outlets as the first step in establishing a nationwide chain of convenience stores. The $225 million transaction increases Circle K outlets to 2,180 in 17 Western, Southern and Southeastern states.

April - Texaco Inc. has opened nine new gas stations that offer self-service pumps and convenience stores as part of its long-range plans to broaden its market share in Phoenix. According to a company spokesman, about 80 percent of the gas sold in the Valley comes from self-service pumps.

Meanwhile, the Shell Oil Company has begun phasing out its Phoenix and Tucson service stations and plans to concentrate instead on supplying other companies with gasoline.

June - Mobil Oil Corp. is planning to expand its holdings in Phoenix. The company has agreed to purchase 21 Valley self-service stations from the Pasco Petroleum Co. within the next few months. In December, Texaco Inc. purchased six self-service stations from the Phoenix-based Giant Industries, Inc. The Texaco and Mobil transactions are considered by some industry officials to be the latest moves in a continuing trend toward the domination of the Phoenix-area gas market by major oil companies.

August - Ross Stores, an off-price retail chain, plans to open three stores in the Phoenix area, the first in the renovated Tower Plaza. The other locations will be at Poca Fiesta Mall in Mesa and at 43rd Avenue and Peoria. Ross carries branded merchandise at discount prices.

October - The Sears outlet in Douglas closed after 48 years in business. The store employs a dozen people, but they have been offered other jobs with the company.

December - Walgreen Co. plans to add eight outlets in the Phoenix area during the next two years and four outlets in Tucson by the end of next year. The chain currently has 32 stores in the Phoenix area and 13 stores in Tucson.

K mart has opened a new Phoenix store which is the corporation's third prototype for interior design and new merchandise. First-time changes in K mart stores were made in late 1983 at a Troy, Michigan, store. Upgrading of existing K marts will be completed by 1986, a company official said. The new store employs 130, bringing K mart's Arizona employees to 2,130.

AUTOMOBILES

February - Chrysler Corp. opened its first sales zone in Phoenix on February 1st in an attempt to aggressively market in a five-state area. The new sales zone is designed to help the 91 Chrysler-Plymouth and Dodge dealers in Arizona, Nevada, Utah, New Mexico and El Paso County in Texas with marketing, sales, service and distribution. The Phoenix zone is the third organized by Chrysler in the past year. The others are in Houston and New Orleans. The Phoenix zone headquarters will have a staff of 37 sales, service and administrative personnel.

March - The Ford Motor Co. will begin construction this month of a $500 million assembly plant in Hermosillo, using Mexican labor to assemble a Japanese-designed car for sale principally in the U. S. When production begins in three years, most of the cars will be shipped to the U. S. by train, probably through El Centro, California. Southern Arizona's retail sector, especially, should benefit from the 3,000-worker plant. Additional economic consequences are as yet unclear.

April - A national recruiting company has hired about 55 new-car salesmen and saleswomen for Chevrolet dealers in the Phoenix metropolitan area and other parts of the state. The campaign was part of a nationwide effort to hire 2,000 people for Chevrolet dealers across the nation in order to replenish staffs that had been depleted during the past three years when new-car sales were down sharply.

June - Chrysler Corp. has announced plans to build and operate an auto proving ground in Wittmann, 35 miles northwest of Phoenix. The 3,812-acre, $12 million test site is scheduled for completion in three years and will be available for initial testing within 18 months. The site will be used to test the effects of heat, high altitudes and desert conditions. Employment is projected at 100 by the fall of 1985.

The test site will be the third proving ground operated by a major automaker in Arizona. Ford performs tests near Kingman, and General Motors has a test area south of Mesa.

July - Ford Motor Co. has expressed an interest in opening a second assembly plant in Sonora--this time for air conditioners. The company announced plans in January to build a $500 million auto assembly plant. The proposed second plant would employ 150

to 250 workers, and would cover about 25,000 square feet. The product would be used for Hermosillo compacts and for other Fords.

October - Construction has begun on a $1.1 million Chevrolet automobile dealership in Show Low. Approximately 25-30 people will be employed initially.

WHOLESALE TRADE

February - Construction has begun on one of the largest food distribution and storage centers in Phoenix. The $12 million facility will contain 100,000 square feet of freezer and temperature control space as well as office space for food brokers.

April - Golden State Foods Corp., a California-based food-processing and distribution company for McDonald's restaurants, plans to build a 47,000 - square-foot distribution center in Phoenix. The $2.5 million project will supply 140 McDonald's restaurants in Arizona and surrounding states with food, packaging and operating supplies. The facility, expected to be completed in the fall, will initially employ 40 people.

August - Armour Frozen Foods Division will merge with Banquet Foods Co. of St. Louis to form the world's largest volume manufacturer and marketer of frozen prepared foods. About 20 employees at the Scottsdale facility have been invited to relocate to Missouri and at least 12 are expected to do so. Armour Frozen Foods Division had been owned by the Greyhound Corp. before it was sold to ConAgra Corp. ConAgra also owns Banquet Foods.

December - Golden State Foods Corp. is expanding its Phoenix operations with a new 48,000-square-foot facility. Golden State is the major supplier of beef patties and paper products to McDonald's restaurants in the nation. The new facility will distribute food and paper products to outlets in Arizona, New Mexico, parts of Colorado and Utah, and Las Vegas, Nevada.

TRANSPORTATION, COMMUNICATIONS AND PUBLIC UTILITIES

February - Yellow Freight Systems Inc. will move its regional trucking operations and about 200 jobs from Phoenix to Barstow, California. The Phoenix center currently handles cargo from throughout the country for redistribution to several Western states. The move would make the Phoenix operation a local service, although some trucking from the center still would be done to Tucson and Nogales. The estimated 200 Phoenix employees who will be affected by the move will be offered jobs elsewhere, with most asked to move to Barstow.

May - America West Airlines, the eight-month-old, Tempe-based airline, recently hired 160 customer-service representatives at a salary of $12,000 annually. During the six-to eight-week training course, the representatives will be trained in three areas: flight attendant, airport customer-service desk and reservation attendant. America West, which began operating in August, serves 14 Southwest cities and has 1,000 employees.

July - The three Phoenix-owned airports -- Sky Harbor, Deer Valley and Litchfield -- contributed $4.8 billion to the economy of Maricopa County in 1983 and accounted directly or indirectly for 91,533 jobs with payrolls of $1.5 billion. This is according to a study conducted by Dr. Lee R. McPheters, director of the Arizona State University Bureau of Business and Economic Research. According to McPheters, the primary economic impact of the three airports is 36,613 jobs, a payroll of $604.4 million and total expenditures of $1.9 billion.

August - United Parcel Service plans to build a 450,000-square-foot, 150-truck distribution center in the Price Road Business Park in Tempe. The new center, expected to be completed in 1988, will provide about 150 new full-time jobs and 50 part-time jobs. UPS has not decided whether it will close its 10-truck station at 23rd

Street and Priest in Tempe after the new hub is completed.

Construction will begin soon on KDTU-TV, Channel 18, in Tucson. The transmitter site will be located in the Tucson Mountains east of the city. Plans call for the transmitter to be located in 900 square feet of space in a facility which will be constructed underground. Channel 18 is scheduled to go on the air before the end of 1984.

PRINTING

March - Gannett Co. Inc., the Rochester, N.Y.-based media giant and publisher of the one-year-old USA Today newspaper, is planning to build a printing plant in Chandler. The company has purchased a site on Williams Field Road near Interstate 10 to construct the facility. It is estimated that the plant will have a staff of 131 employees.

December - Casa Grande has been chosen as the site of a $90 million printing plant to be built by Meredith/Burda, a Des Moines printing company. The first phase of construction on the facility will be complete by mid-1986, when it will employ 220 workers. A second phase that will create another 140 jobs is expected to be finished in the first quarter of 1988.

Globe Ticket Co., a specialty printing firm based in Pennysylvania, is opening a printing plant at the Kingman Airport Industrial Park. The facility, the firm's sixth in the nation, will initially employ 35 people. Company officials said they were drawn to Kingman, in part, because of the cooperation of Mohave Community College. The college is training 20 prospective employees with equipment supplied by Globe.

PHOTO FINISHING

April - Berkey Photo Inc., a New York-based photo finisher, plans to open a plant in Phoenix by the end of April. The company expects to hire about 40 people and special skills will not be required. An additional 40 to 45 people will be hired within 18 months. The plant will process and print film for Arizona, New Mexico and western Texas. Currently, Berkey has 18 plants in the U. S.

November - Subiacolor Inc. and Photoworks, both of Phoenix, merged effective November 1. The new firm plans to build a 10,000-square-foot photo-processing lab scheduled to open in December. The number of employees will increase to 40 from the 35 now working for Subiacolor and Photoworks.

FINANCE, INSURANCE AND REAL ESTATE

June - The Chase Manhattan Corp. in New York has filed applications with the U. S. comptroller of the currency to place banks in eight states, including one in Phoenix and one in Tucson. The expansion is made possible by recent interpretations of federal banking laws by regulatory agencies.

Mellon Bank of Pittsburgh has also announced that it has asked the federal government for permission to open consumer banks in several cities, including Phoenix.

December - Arizona's finance, insurance and real estate industry had a gross product of $6 billion in 1983 according to the Bureau of Business and Economic Research in the College of Business Administration at Arizona State University. With a 16.7 percent share of the Arizona Gross State Product, FIRE is Arizona's largest industry, surpassing the trade industry for the first

time in 1983. Gross State Product is the value of production minus purchases of intermediate goods and services. In terms of employment, this sector registered nearly 63,000 people in 1983, placing it as only the sixth largest sector (out of eight) when measured by employment.

Allstate Insurance Co. is moving its regional administrative offices from Rancho Bernardo, California, to Phoenix. The move is expected to be completed before the end of the year and will bring about 40 employees from California to the Valley. As many as 25 new secretaries and claims personnel will also be hired.

HEALTH SERVICES

February - The new Thunderbird Samaritan Hospital opened December 17th in Glendale. Building activity around the hospital includes a psychiatric facility, four medical complexes and an expansion of an existing medical facility, two nursing homes and a neighborhood shopping center. City officials estimate that more than 2,000 jobs will be created in a one-mile area around the hospital.

August - The high turnover rate among nurses at Maricopa Medical Center has declined and stabilized since last year. In July, the hospital had fewer than 30 vacancies among the nearly 500 registered-nurse positions. This contrasts to 95 vacant registered-nurse positions at one time last year when low salaries and the possibility of layoffs prompted the exodus of dozens of nurses from the center.

December - The Mayo Clinic is seeking a Scottsdale location for a satellite facility. A spokeswoman for the clinic, based in Rochester, Minnesota, has said the Arizona operation will be a group practice which will begin with about 20 to 30 physicians.

ADVERTISING

December - Headquarters for the Gannett Outdoor Group, the largest outdoor-advertising firm in North America, are being moved from Phoenix to New York. The shift will affect 22 people in Phoenix, most of whom are expected to move to New York or to other areas in the Gannett company. Other Gannett operations in the Valley will not be affected.

HOTELS

February - Construction began in January on a $5.15 million project by Quality Inns International. Scheduled for completion by October, the new Paradise Valley hotel will employ about 200 workers with some 60 additional staff needed within 18 months after opening.

March - Construction has begun on the 272-room Fiesta Hilton Hotel in Mesa. When completed in December 1984, it will be the largest hotel in the East Valley.

May - Tucson-area hotels and resorts are booking more high-revenue meetings and conventions this year, according to a study by the Metropolitan Tucson Convention and Visitors Bureau. According to figures compiled by the bureau, during fiscal 1983, 18.4 percent of the conventions held were corporate. So far this year, 19.5 percent of the meetings held were corporate with medical meetings up to 13.6 percent from 11 percent last year.

June - The city of Tucson has received a $425,000 Urban Development Action Grant toward the renovation of the Geronimo Hotel. The $2.5 million project to renovate the 53-year-old hotel just west of the University of Arizona is expected to produce about 145 jobs.

Hotel Properties, developer of a nationwide hotel chain, has recently opened Continental Inns in Flagstaff and Tucson.

September - Quality Inns International has begun construction on a new Western regional corporate headquarters in northeast Phoenix, which will also be the international headquarters for the lodging chain's SUNBURST Reservation System. The $4 million center, scheduled for completion by March 1, 1985 will create 250 to 300 new jobs for the Phoenix area.

October - Bisbee's Industrial Development Authority has agreed to sell the historic Phelps Dodge Corp. mercantile building to the Collier-Craft Development Co. for $750,000. Collier-Craft plans construction of a three-story, 60-room hotel on vacant land adjacent to the old Phelps Dodge building. The old mercantile building would become the lobby for the proposed hotel.

November - The Tempe City Council has approved a proposal for a $35 million hotel development on the city's Double Butte property, south of Broadway between Interstate 10 and 48th Street. Opening of the resort hotel is planned for fall 1986. It eventually could have up to 540 rooms.

December - The $20 million Radisson Hotel Centennial has opened on a 4.5-acre site northeast of Mesa's Centennial Hall. The hotel is linked by a walkway to the new city-owned Centennial Hall Conference Center.

RESTAURANTS

April - Carvel recently opened an ice cream store in Tempe, the first of 50 stores the company intends to open across the state within five years. About 35 of these stores will be located in the Phoenix area.

June - Phoenix-based MacDonald Mortgage Corp. has obtained the rights to franchise, build and operate as many as 61 Po Folks Family Restaurants, including 11 in Arizona. Po Folks is based in Nashville, Tennessee, and currently has 104 restaurants, mainly in the South. Nine restaurants will be built in Maricopa County, one in Flagstaff and one in Yuma.

"BEST EMPLOYERS"

October - Best Western International, the world's largest lodging chain, has been named Employer of the Year by the Southwest Project with Industry, an Arizona-based job search training and placement assistance program for disabled persons. The award recognizes Best Western headquarters' continuing efforts to provide employment for the handicapped.

November - Several companies with Arizona operations are listed among The 100 Best Companies to Work for in America, a recently published book written by Robert Levering, Milton Moskovitz and Michael Katz. The authors considered pay, benefits, job security, the chance to move up and "ambience." Qualifying for the top 10 list was Trammell Crow Co., an Arizona developer of office and industrial space. Joining Crow as one of the 10 best companies to work for in America is IBM Corp., a major Tucson employer. Other local firms cited are W. L. Gore & Associates, manufacturers of high-tech aerospace and camping equipment, with four plants in Flagstaff and one under construction in Phoenix; and Intel Corp., the California-based firm with about 2,500 Valley employees.

INMATES HIRED

October - American Rockwool's Casa Grande plant, in an effort to combat a 30 percent turnover rate, has contracted with the Department of Corrections to use 30 minimum security inmates. They will join 90 other employees at Rockwool's insulation manufacturing plant.

NEWSLETTER STARTED

October - The Arizona Film, Theatre and Television Newsletter began publication in

September. Aimed at Arizona performing artists, producers, scriptwriters, directors, stage managers and technicians, the monthly newsletter contains such information as job openings, audition and casting dates, classes and seminars, performance dates and contest and grant details. The publishers hope the newsletter will improve employment conditions for people in visual communications.

TRIBAL DEVELOPMENTS

January - A consortium operated by the Navajo, Hopi and Zuni Indian tribes has been awarded $152,000 in federal job-training funds aimed at helping Indians participate in a four-year, $100 million program for highway improvement and construction in the Four Corners region. U.S. Transportation Secretary Elizabeth Dole said the $152,000 will be used to promote both job-training programs and the development of Indian-owned businesses related to road construction.

An $11.8 million motel and resort-convention center will be built on Yavapai Prescott tribal land. The center is expected to create some 130 full- and part-time jobs, generating a $1 million payroll. The lease agreement guarantees that 30 of the jobs will go to tribal members, providing they are interested and qualified, and that training will be made available. Most of the construction will be financed by industrial revenue bonds. The $1.1 million UDAG funds awarded to the tribe will be loaned to the developer to help defray construction costs.

The Papago Tribe of Arizona has established a construction company using the combined resources of the tribal housing program, the Bureau of Indian Affairs, job training funds and a tribal skill center. The company, which had only three employees in April 1982, now employs a total of 105. It is currently building 21 houses, has an $800,000 contract to build a shopping center and a $3.3 million contract for a new school.

February - First Interstate Bank of Arizona has agreed to loan $37.5 million to the Navajo Tribe to benefit farming operations on tribal land in northeastern Arizona. The loan is one of the largest ever made by First Interstate and will help the tribe to produce more crops and to provide more jobs for Navajos. The loan will let the tribe regain control of its agricultural operations from outside consultants and could lead to similar financial arrangements for other tribal enterprises, such as tourism or mining, according to Tribal Chairman Peterson Zah.

March - The Navajo Tribe is considering developing a resort and marina on the shores of Lake Powell that could cost about $19 million. The site under consideration is Antelope Point, about five miles from Page, where the tribe owns a lengthy section of land near the shoreline. Discussions have begun with the U. S. Park Service, which controls the shoreline itself, and planning is expected to take about one year. The tribe has indicated that it probably would contract for the operation of the resort. Among the groups that has expressed an interest is the Del E. Webb Corp., which operates all the marinas on the lake.

The University of Arizona has been awarded a $651,000 grant to help Indians develop economic self-sufficiency. The three-year grant, awarded by the W. W. Kellogg Foundation, is aimed at assisting Indians in Arizona, Nevada, New Mexico and California in a number of areas, including building projects for business and growing of the oil-producing plant jojoba.

GOVERNMENT

March - According to the Arizona State Retirement System, an unpredictably large number of people took advantage of an incentive program for early retirement last year. Of the 14,700 government workers eligible for early retirement during 1983, 17 percent took advantage of the higher benefits. Similar plans in other states have been utilized by about 10 percent of the eligible employees. City and county workers made up 38 percent of the early retirees, teachers 34 percent and state workers 28 percent.

July - Arizona state government is adding a day-care center at the Capitol Mall for state employees' children. State officials believe that the center will cut absenteeism, boost productivity, improve morale and stabilize health costs. An existing building that is being vacated as several agencies move to another location will be modified to accommodate the center and bids will be sought from private day-care centers to operate the facility.

October - Under newly pased legislation, employers would in many cases have to withhold child support from wages when a parent fell one month behind in making court-ordered payments. The law requires child-support orders issued or modified after October 1, 1985, to permit withholding of wages if a parent becomes delinquent in his or her obligations. Employers could be "held liable to the state for any amount" that they failed to withhold from an employee's paycheck after receiving proper notice from the state.

COURT DECISIONS

June - Promises made in employee handbooks can become part of an employment contract and can limit an employer's ability to fire its workers according to a recent Arizona Supreme Court ruling. However, Vice Chief Justice Frank X. Gordon, Jr. wrote in the 13-page opinion that, "We do not mean to imply that all personnel manuals will become part of employment contracts." He said employers are free not to issue manuals or to warn employees that a manual is not part of their contract and that they may be fired with or without reason.

July - The U. S. Supreme Court has upheld the "last hired, first fired" policy. While union leaders have supported senority as the fairest system of making layoffs, feminists and civil-rights leaders view the ruling as a setback to their efforts. The decision also held that someone who is laid off must prove he or she was an actual and specific victim of discrimination before being awarded back pay or being reinstated.

UNEMPLOYMENT INSURANCE

March - Unemployment tax rates for about 59,000 Arizona businesses will increase an average of 70 percent this year. The average rate employers will pay into the fund will rise to 1.88 percent from 1.05 percent of the first $7,000 earned by a worker. The increases will produce a total of $124 million in 1984 instead of the $66 million that would have been collected under the old tax rates. The increases will help replenish the unemployment-insurance fund, which paid out a record $170 million in 1982 and $132 million last year. Employers will feel the increase in April when the first quarter of 1984 ends and they are asked to pay into the Unemployment Insurance Fund.

EMPLOYER/EMPLOYEE ASSISTANCE

March - A program to divert to an employer the cash welfare grant of an Aid to Families with Dependent Children (AFDC) recipient was begun by the Department of Economic Security on March 1st. Called "The Right Change," the program provides to the employer of an AFDC recipient a cash incentive for a period of six months. DES is conducting the program under a three-year federal grant and has targeted 750 job placements during the first year of operation. For more information, contact Gloria Young, Project Director, at 255-4494.

April - Goodwill Industries of Tucson has received a grant to purchase an instructional program that shows companies how to adjust to newly-hired handicapped workers. The program, known as the "Windmills Program," was developed by the California Governor's Committee for Employment of the Handicapped and consists of 12 half-hour audio-visual training sessions. Goodwill will offer the program to employers, managers, supervisors and any other business personnel.

September - An Interstate Job bank begun by The U. S. Department of Labor makes it possible for states to keep tabs on

selected jobs anywhere in the United States, as well as advertise their own hard-to-fill vacancies nationally. Under the program, the states each week ship, by overnight air express, a list of their hard-to-fill jobs to the job-bank headquarters in Albany, New York. The jobs are placed on microfiche, which then are immediately sent back to the states. This process will be speeded up when the Labor Department places the job openings on a national computer network, in about two years.

A new on-the-job training program for veterans will allow employers to put eligible veterans to work with government assistance in defraying training costs. The program will reimburse employers for half of the starting wage of training or retraining veterans up to a maximum of $10,000. The deadline for application for a veteran is February 28, 1985 and for an employer, September 1, 1985. Interested employers and veterans can contact the nearest Job Service office. Employers may also call the Veterans Administration Regional Office at 255-5589 or 241-2721.

December - Twelve of Arizona's 15 counties have been labeled "Labor Surplus Areas" (high-unemployment areas) that should receive preference when federal contracts are awarded. The U.S. Department of Labor has so designated every county except Maricopa, Pima and Yavapai. The designation, which lasts through fiscal 1985, gives employers in the areas preference over other firms when bidding on federal contracts. There are 1,825 such areas nationwide.

EDUCATION AND TRAINING

January - Construction is underway on the new DeVry Institute of Technology complex on the southeast corner of 22nd Avenue and Dunlap. The 120,000 square foot center will accommodate 4,400 students.

February - Grand Canyon College officials hope to begin construction late this month on a 9,000 square-foot arts complex. The $350,000 complex is part of a major expansion program for the Phoenix college. Funds will be raised through donations.

March - The Greenlee County Technology Center opened in late January. The center was cooperatively developed by Clifton Unified Schools and the Greenlee County Job Training Partnership Act to provide training in new fields of technology for JTPA participants and other interested persons and to promote the economic development of Greenlee County. The Technology Center offers course clusters in computers in business, computers in science, computers in industry and secretarial and clerical.

April - A 10-year, $148 million capital-improvement and expansion program, including education centers in the Chandler-Gilbert area, Paradise Valley and Litchfield Park, is being considered by the Maricopa County Community College District. The program is an update of the district's master plan, developed in 1978. Partial financing would come from a bond election, tentatively planned for September. Additional sources are also being considered.

The plan calls for building education centers instead of free-standing colleges in order to keep administrative costs down. According to District Chancellor Paul Elsner, "They will be put on good-sized sites so if enrollment justifies it, they can become full-sized campuses."

Under a plan proposed by a congressional task force, the federal government would establish a voluntary job retraining program, with employers and workers each contributing up to $250 a year. Contributions would stop when $4,000 was accumulated. Laid-off workers would draw on the full amount after a six-month resting period and could use up to $1,000 for costs of relocating.

Under the plan, employers would receive tax deductions amounting to 125 percent of their contributions, and no longer would have to pay a small surtax now required for federal unemployment insurance. Contributions would be invested in high-yield Treasury securities and administered like Individual Retirement Accounts by the unemployment insurance system. Representative Sherwood Boehlert, R-N.Y. chaired the task force which drafted the plan.

May - Glendale Community College dedicated a $250,000 Automotive Technology Complex that is expected to help students keep pace with rapid changes in automotive designs. The dedication coincided with an announcement by GM of a new program to train GCC students and find them jobs with GM dealers. The program -- know formally as the Automotive Service Educational Program -- will begin in August, with about 25 students participating in the first classes.

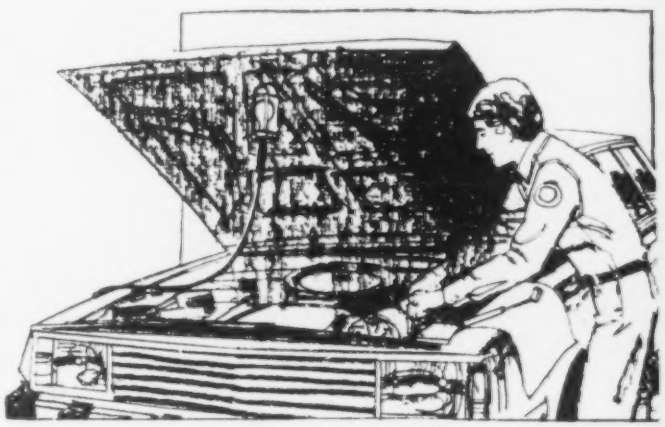
July - The University of Arizona has received funds from private industry and the National Science Foundation to establish a Center for Microcontamination Control. So far, 12 companies have each committed to spending $30,000 annually to establish the national clean-room research center. The center will attempt to develop products with a potential for mass production that can help the semiconductor industry keep dirt and lint from collecting on its products as they are being assembled. The university would share in the profits from any mass production resulting from the research.

Yavapai College in Prescott has received a $500,000 U. S. Dept. of Labor grant to help retrain and relocate miners in Bagdad who are unemployed because of the February closing of the Cyprus Bagdad Co. copper mine there. The grant, provided under the Job Training Partnership Act, will be administered by the Arizona Department of Economic Security and will be subcontracted to the college for operation.

August - The Tucson Job Corps has been awarded another two-year contract by the U.S. Department of Labor. The contract took effect July 1 and contains an option to renew for three years in one-year increments. The Job Corps offers basic educational and vocational training for qualified resident youth. Vocational courses include plumbing, electrical wiring, apartment building maintenance, welding, automotive repair, electronic assembly and clerical skills.

The American Graduate School of International Management has dedicated its new International Conference Center. The center will house classes and offices for Intercom, the Glendale school's international executive-training arm. Intercom offers custom-designed programs for corporate clients ranging from international finance to cross-cultural communications.

September - Nissan Motor Corp. has established a program at Maricopa Technical Community College to train auto mechanics for dealerships in its Los Angeles region. The first training session, begun July 30, was for Nissan employees in the Phoenix and Tucson areas. Although the classes are for selected Nissan employees only, Maricopa Tech also offers automotive courses to the general public.



The Marc Center has opened a 3,000-square-foot vocational center in east Mesa to prepare developmentally disabled adults for employment. The facility was constructed through the use of a $100,000 Community Development Block Grant received through the county. The Marc Center contracts with private companies such as Mountain Bell, and participants are paid as they learn new skills with money received through these contracts.

October - Employees of nine Valley companies are taking college courses through Arizona State University's Interactive Television Program this fall. Classes in business, engineering, physical education and physics are being offered for credit. They are broadcast from ASU classrooms to television monitors at off-campus sites. Participating this fall in the program, which

began in spring 1982, are GenRad, Goodyear Aerospace, GTE, Honeywell, Intel, Motorola, Rogers Corporation, Sperry Flight Systems and Unidynamics. For more information about the program, call (602) 965-6738.

The University of Arizona ranked third in the nation in research money received from industry in 1981-82. Georgia Institute of Technology received ~~$11.4~~ million, Penn State collected $10.5 million and the U of A received $8.6 million. Arizona State University, while not ranked in the report prepared by the U of A's division of institutional research, received $750,000 in donations from industry in 1981-82.

The Lake Havasu Community College Campus Foundation has begun raising money to construct a permanent campus in Lake Havasu City. A 238-acre site has already been acquired.

November - Maricopa County voters approved a $75 mission bond program to improve and expand the Valley's community colleges. Plans include three new community college centers located in Paradise Valley, Chandler/Gilbert and Litchfield Park, and the purchase of land in northeast Mesa and far northwest Maricopa County for potential development after the year 2000.

Technical equipment with an original value of nearly $1 million is being donated by IBM to Arizona State University and the University of Arizona. The equipment will be used for the fabrication of semiconductor circuitry in engineering laboratories at the two schools.

The Bureau of Labor Statistics reports that college graduates continue to have clear labor market advantages over other workers, including a markedly lower unemployment rate, a higher rate of labor force participation and a larger share of managerial and professional jobs. In March 1984, the unemployment rate for college graduates 25 to 64 years old was 2.7 percent, compared with 7.2 percent for high school graduates and 11.6 percent for workers with an eighth grade education or less.

Job recruitment at Arizona State University is 20 percent ahead of the level set last fall as defined by the number of recruiting days scheduled at the campus by companies. According to ASU's Career Services office, there is a demand for graduates in the technical fields, especially from the electronics industry in the Valley.

Portable Practical Education of Tucson plans to open a training center in San Luis for disadvantaged farm workers to provide them with job skills in business and high tech. Similar centers are located in Casa Grande, Ganado and Tucson.

December - Construction has begun on the Samaritan College of Nursing, a $1.6 million nursing-education facility on the campus of Grand Canyon College. Funded jointly by the college and Samaritan Health Services, the structure is scheduled for completion by next fall. Samaritan and Grand Canyon established the nursing program in 1981. There are currently 160 students enrolled.

The University of Arizona has begun work on its $8 million to $10 million Agricultural Center. The 2,100-acre development, to be located in Maricopa, replaces research facilities that the Arizona Board of Regents has decided to retire in urban areas.

CLOSURES AND LAYOFFS

January - A sharp increase in sales-tax collections is providing Maricopa County with unexpected revenue. According to County Finance Director Ray Smith, the increase and a number of resignations at Maricopa Medical Center mean that further layoffs of county employees may not be necessary to balance the budget by the end of the fiscal year.

Since the October decision by the Board of Supervisors to authorize the layoff of hundreds of employees, only 18 have been laid off, according to county records, while more than 200 hospital employees have resigned.

Arden-Mayfair Inc. has closed two Food Giant stores in Tucson, affecting about 15 to 20 employees at each store. According to company policy, employees are laid off on a seniority basis and laid-off employees have recall rights for six months. The grocery chain still has nine Tucson stores and has no plans to close any stores outside Tucson.

February - Diamond's closed its department store in Mesa's Tri-City Mall on January 14th. The store's 108 employees have been transferred to other Phoenix - area locations.

Arden-Mayfair Inc. has closed the Food Giant store at Tucson's El Con Mall. This is the third Tucson supermarket the chain has closed in two months. Company spokesmen have said that no further Tucson closings are planned.

Babbitts Home Center in Williams is closing indefinitely February 19th. The center has served the Williams area since 1947.

Fiesta Market, a sophisticated indoor version of the flea-market concept, closed unexpectedly. Some 200 Phoenix merchants had used the former Woolco store Friday through Sunday each week to sell their goods at discount prices.

Republic Airlines will lay off 160 mechanics as it moves all its heavy aircraft maintenance from Phoenix. About 12 supervisors, five clerical and five management employees will also be laid off. All of the 182 to be laid off will have opportunities for positions elsewhere with Republic, based on seniority. Light maintenance and line maintenance will continue at Sky Harbor with the heavier work consolidated at Minneapolis and Atlanta after February 15th. Slightly more than 100 mechanics will remain at Phoenix, along with staffs for reservations, flight training and operations.

March - Levy's department store has laid off about 25 employees due to a transfer of certain functions from its Tucson warehouse to a distribution center in Dallas. Affected employees will receive a month's pay plus an average of 11 to 12 weeks' severance pay.

Pacific Motor Trucking Co. has eliminated its division which handled freight weighing less than 10,000 pounds. The cutback affected some 16 employees in Tucson and 13 in Phoenix. The division lost at least $12 million in 1983.

April - Kroy Inc., a Scottsdale-based graphics-products company, laid off about 60 contract employees. A company spokesman said that the employees had been brought in for a specific project and that additional layoffs of this magnitude are not expected.

Amstar Corporation's Spreckles Sugar Division has announced the closure of its Chandler operation. Employees to be laid off include supervisory personnel, technicians and mechanics.

Litton Industries Inc.'s electron-tube division in Tempe has laid off 40 workers because of poor orders for its products. The length of the layoff is indefinite and leaves the plant with slightly more than 300 workers. No additional layoffs are expected. The firm manufactures night-vision devices for defense and commercial use.

May - Mountain Bell is laying off employees in three Arizona communities. In Tucson, the equivalent of 75 full-time jobs will be lost. At least 34 workers will lose their jobs and other employees will be shifted to part time. In Phoenix, 80 workers who were brought to Arizona several months ago to help the utility keep pace with new-construction orders have been let go. Cuts are also planned for the Flagstaff office where four positions will be eliminated and 20 reduced to part time. Mountain Bell cites office mechanization and inadequate Arizona earnings for the layoffs.

Mayfair Molded Products, a manufacturer of plastics and boating items, will close its Tucson plant July 1, laying off 55 workers. More competition in the marine-products industry led to the company consolidation responsible for closure of the plant. Some Tucson-plant employees have been offered

jobs at the company's headquarters in Schiller Park, Illinois, outside of Chicago.

Three Phoenix-area hospitals, responding to increased competition, a reduction in patients' length of stay and declining revenue, have laid off more than 50 employees.

At John C. Lincoln Hospital and Health Center, about 20 employees were laid off and a total of 84 positions eliminated, mostly in nursing. At St. Luke's Hospital and Behavioral Health Center, 31 full-time workers were laid off. And at Phoenix Baptist Hospital, the education department was moved to the corporate offices with a loss of eight of 15 employees.

June - Cyprus Metallurgical Processes Corp. has laid off 18 employees, nearly half of its 41-member work force. The operation 21 miles from Tucson employed 123 persons before earlier cutbacks. The layoffs affected machine operators, mechanics and administrative personnel.

Three Phoenix-area school districts have announced plans to lay off staff. The Scottsdale School Board has decided not to renew the contracts of 58 teachers, although the district hopes to find jobs for the displaced teachers by the beginning of the 1984-85 school year by filling positions vacated by teachers who retire or resign. In the Deer Valley Unified School District, 39 instructors, mostly elementary school teachers, have received reduction-in-force notices. It is anticipated that some of these teachers will be hired back for the 1984-85 school year. In the Phoenix Elementary School District, 71 teachers and other employees were left without jobs at the end of the recently completed school year. An administrative reorganization and a reduced district budget capacity caused by state spending limits are forcing the layoffs of 35 teachers, two administrators, 28 classified employees and six people in professional non-teaching positions.

July - Ingersoll-Rand has announced the sale of its Tucson unit to Stanley Works of New Britain, Connecticut, which plans to move the operation to Atlanta by year's end, resulting in the loss of nearly 150 Tucson jobs. Some hand tools were assembled at the facility, but it served mainly as the Western states' distribution center for Ingersall-Rand's Proto division. The Tucson center opened in 1975.

Three Arizona terminals of Lee Way Motor Freight Inc. have closed, leaving 38 workers without jobs. The closings are part of a massive cutback by CL Motor Freight of Columbus, Ohio, which acquired Lee Way in May. Thirty workers were furloughed at the Phoenix terminals and eight at the Tucson and Nogales terminals. Besides the Arizona terminals, the company has closed its Las Vegas, Nevada, operations and has scheduled for closing terminals at Albuquerque, New Mexico, Baltimore, Washington, D. C. and Philadelphia.

September - Phoenix Baptist Hospitals and Health Systems has laid off 200 employees at its Phoenix hospital and at 12 affiliated hospitals and companies. The layoffs were blamed on a continuing decline in the number of patients and in the length of hospital stays. A spokesman for the hospital said all 200 laid-off workers received two weeks' severance pay, job-placement services and career counseling.

Sentry Insurance Co. is moving to consolidate and reduce staffing at its four regional offices, including Scottsdale. According to a company spokesman, the move will result in less than 10 percent of the Scottsdale work force's 750 employees losing their jobs. Sentry is providing placement assistance with other companies for affected personnel.

U-Haul International Inc., the nation's largest move-it-yourself company, has announced plans to lay off thousands of workers and reorganize operations to cut costs. An estimated 100 of the 2,000 Phoenix-area workers will lose their jobs and Sam Shien, spokesman for the parent company Amerco, said that employees who still want to work for the Amerco organization probably will be able to reclaim their jobs in about five months.

Rennie & Co., a 2 1/2-year-old Phoenix securities firm, has gone out of business. The company employed 17 brokers in Phoenix.

October - The Evergreen Lumber Company has closed operations in Snowflake, Heber and Williams. The closing, which affected 81 employees at Heber and Snowflake, is expected to be temporary.

November - Gates Learjet Corp. will lay off about 500 employees in Tucson--more than a third of its Tucson work force--and 500 in Wichita, Kansas, because of a halt in some of its commercial aircraft production. According to a company spokesman, the temporary suspension of production of Learjet 30 and 50 series aircraft will continue indefinitely until inventories are reduced. Also, plans to relocate additional aircraft-assembly work from Wichita to Tucson, announced in July, will be deferred.

AT&T Consumer Products has announced plans to trim operations at its Phoenix Service Center as part of an AT&T Technologies Inc. Group cost-reduction plan. The consolidation involves about 700 jobs at four service locations across the country but it is unknown how the Phoenix center's 200 employees will be affected. According to a company spokesman, decisions regarding layoffs or employee transfers have not yet been made. The changes are another step in the August announcements by AT&T Technologies to eliminate 11,000 jobs, improve the use of space, and reduce locations that originally served telephone companies owned by AT&T prior to divestiture.

Sears Roebuck & Co., closed its doors in Douglas, affecting about 12 employees. The peso devaluation was cited as the reason for the closure.

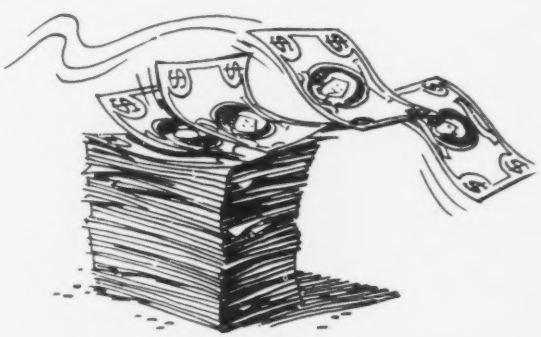
December - Humana Inc. laid off 24 full-time and 19 part-time employees at its two Phoenix hospitals. Hospital officials said all the employees would be offered the opportunity to be placed on an inactive status, which would make them eligible for immediate call-back if the hospital-patient census improves. Employees at the corporation's other 89 hospitals throughout the country were also affected by the October layoffs.

UNIONS

March - Plumbers represented by the 1,900-member Plumbers and Pipefitters Local 469 have agreed to large pay cuts to meet competition from non-union contractors. The contract, which runs through June 30, 1985, covers union plumbers in the Phoenix area and most of the northern part of the state. The new wage for industrial and commercial work is $15 an hour, down from $19.84, a 24 percent cut. For residential work, the rate drops to $12.50 an hour from $19.84, a 37 percent decrease.

For the first time since 1978, pay raises for union workers lagged behind those for non-union workers according to a study by the U.S. Bureau of Labor Statistics. The BLS report found that wages and salaries paid to workers covered by union contracts advanced 4.6 percent in 1983, while the gain for non-union workers was 5.2 percent.

Earlier, the BLS announced that the three million workers whose wages were negotiated by unions in 1983 accepted first-year pay boosts averaging 2.6 percent, the lowest settlements in the 16 years that the government has kept these records.



July - Union electricians have agreed to their second major pay cut in two years. The new rate for electricians on inside commercial construction is $12 an hour, down from $16 negotiated in 1982. Coupled with the reduction to $16 an hour from $17.95 two years ago, union electricians now have agreed to work for 33 percent less

than they used to make. The two-year agreement between the union and the Arizona Chapter of National Electric Contractors Association covers about 1,350 electricians in the northern two-thirds of the state, including the Phoenix area, Casa Grande, Prescott and Bullhead City. The cut is in response to competition from non-union contractors.

More than 200 steel workers who have been working at the Phelps Dodge Corp. copper smelter in Morenci have been kicked out of the United Steelworkers of America Local 616 and fined $1,000 to $2,000 each by the union for breaching a contract they made when they accepted their union membership cards. Union leaders say the action blackballs the workers from any AFL-CIO union.

August - The National Labor Relations Board in Washington has ruled that a union cannot impose any restrictions on a worker's right to resign his or her union membership, even during a strike. The decision reversed a board policy handed down in 1982 that had allowed a union to require a 30-day waiting period before a resignation became effective. The board rejected a union argument that the restriction is justified because it seeks to preserve strike solidarity and protect the rights of employees who choose to continue to strike. The ruling may strengthen a pending case against the Ajo Machinist local, which has levied $5,000 fines against members who defied a strike against Phelps Dodge Corp. and crossed picket lines to work.

December - The two anti-union propositions on the Arizona November ballot showed conflicting results. Proposition 300, which prohibits cities and towns from enacting their own version of Little Davis Bacon mandating payment of "prevailing wages" on public-works projects, was passed by a margin of some 11,200 votes. A second measure, Proposition 102, would have prohibited strikes by public employees. The measure was defeated by more than 100,000 votes.

STRIKE UPDATE

January - Duval Corp.'s Sierrita Mine is currently operating with a work force of approximately 990, including practically all of about 470 union-represented employees who returned to their jobs without a contract. Although the unions technically are on strike, no negotiation meetings have been scheduled. In the meantime, a "cross-training" program has been instituted at Duval's Sierrita Mine. By training workers to perform two or more different jobs, Duval hopes to cut costs.

At Duval's closed Mineral Park molybdenum mine at Kingman, tentative agreement has been negotiated on issues of concern. However, according to company spokesmen, a contract settlement will not change the status of the mine which has been closed since December 15, 1981.

Tentative agreement has been reached on the nationwide Greyhound strike. As of December 15, details of the agreement are incomplete but union sources acknowledge the pact contains major concessions, including a 7.8 percent wage cut--the same amount rejected earlier by more than 90 percent of union members--and a commitment by the employees to assume from the company a 4 percent payment into the pension plan. However, the new agreement does restore a seniority roster for work agreements and other benefits the company sought to eliminate and deletes a clause allowing use of part-time workers.

Some 12,700 drivers, baggage handlers, terminal personnel and mechanics will vote on the proposed contract. Ballots are expected to be counted in Phoenix by December 20th.

The talks between Phelps Dodge and negotiators for the striking unions remain in virtual stalemate. Although the company has agreed to reinstate about 80 to 85 percent of the side agreements canceled July 1, no progress has been made on the main union demands--cost-of-living raises and higher wages for new employees. The chief negotiator for Phelps Dodge has said that according to labor law, "We have to continue to negotiate if they make counterproposals, but there is no real progress."

Despite the statemate, the coalition of unions to which the strikers belong refuses to believe the situation is hopeless. As reported by the Tucson Citizen, labor officials cite the following reasons for continued optimism:

- A U.S. Supreme Court ruling that some union leaders say means Phelps Dodge will have to fire replacement workers. This is contrary to Phelps Dodge's assertion that because of the court opinion, the company has the legal right to permanently replace strikers.

- Lack of experienced workers among the replacements. The company counters that it has recruited qualified workers for craft jobs and that other production tasks can be learned in a relatively short period.

- Replacement workers may quit either because the work is more drudgery than they anticipated or a further drop in the price of copper may cause Phelps Dodge to lay off its replacement workers. In either case, the outcome theoretically would be the willingness of Phelps Dodge to settle the dispute with the unions.

- New employees and non-strikers need what can be won for them through settlement of the strike.

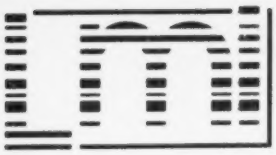
- Phelps Dodge must eventually give in on the cost-of-living issue. In contract negotiations every three years since 1967, copper unions headed by the United Steelworkers of America have reached an agreement with one company and then have been able to induce other company producers to accept the same pattern in new contracts. However, Phelps Dodge has given no indication that it is willing to continue this practice.

In the meantime, the talks remain in extended recess. According to a Phelps Dodge official, the earliest that talks will resume is January 10th.

March - No progress has been reported in the months-long stalemate between the Phelps Dodge Corp. and 13 striking unions. Reinstatement of seniority and cost-of-living adjustments for copper miners appear to be the major issues delaying an agreement. In attempts to break the deadlock, Governor Babbitt met last month with Frank McKee, international treasurer of the United Steelworkers of America, and with Kay McMurray, chief of the federal Mediation and Conciliation Service. In his meeting with McMurray, Babbitt suggested that the strike negotiations be moved to Washington in hopes of breaking the stalemate.

April - A strike called February 22nd by the United Mine Workers closed Peabody's Black Mesa and Kayenta Mines, both located on the Navajo Reservation near Kayenta. According to the UMW, the new contract was rejected for several reasons, including staggered vacations and retirement benefits.

September - A brief strike at the Arizona Portland Cement Co. plant at Rillito has ended. Although workers are negotiating a contact with the company, the walkout was sparked by an unrelated matter -- the union's charge that the company would not allow access to union leaders from outside to examine certain working conditions. Bargaining sessions on the contract are scheduled for September 20 and 21. The company is proposing a three-year contract that would include no pay increase the first year, cuts in benefits and changes in work rules.



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